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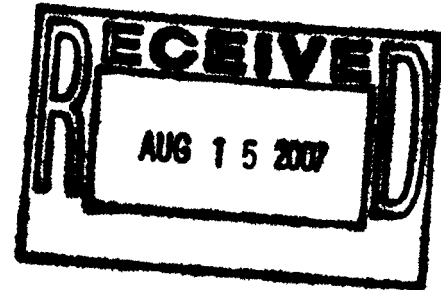
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August 14, 2007

Via Hand Delivery

The Honorable Jan E. Dubois
United States District Court for the Eastern District of Pennsylvania
United States Courthouse
601 Market Street, Room 12613
Philadelphia, PA 19106-1721



FILED

AUG 23 2007

MICHAEL L. KUNZ, Clerk
By *[Signature]* Dep. Clerk

Re: Securities and Exchange Commission v. Liberty, et al.
No. 06-1030

Dear Judge Dubois:

On May 17, 2007, Your Honor entered an Amended Scheduling Order in the above action extending various case deadlines, including a discovery cutoff of October 29, 2007. The extension was needed for defendant to engage a forensic accountant to analyze the value of defendant's assets and liabilities, in order to assist the parties in their settlement discussions. Counsel has conferred and we wanted to inform the Court that we need to request an additional extension of the discovery cutoff deadline.

We are making this request because it took much longer than we anticipated for the forensic accountants to evaluate defendant's financial condition due to the fact that he has interests in over 75 real estate related limited partnerships plus approximately 60 non-real estate limited partnerships. In addition, the extensive interests that his family members have in real estate and other limited partnerships also had to be reviewed and analyzed. However, the forensic accountants' initial evaluation is near completion and the parties have scheduled a meeting to discuss settlement right after Labor Day. Since the parties are hopeful that settlement discussions will be fruitful once we have more developed financial information, we have directed our efforts towards settlement, rather than on discovery at this time.

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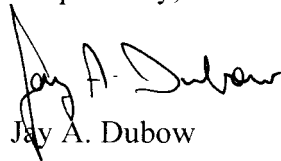
The Honorable Jan E. Dubois

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While we are optimistic about our continuing settlement discussions, the parties request an extension of discovery dates for 90 days.

Respectfully,



Jay A. Dubow

JAD:ptc

cc: Kingdon Kase, Esquire
(.pdf via e-mail)